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FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER
LLP
901 NEW YORK AVENUE, NW
WASHINGTON, DC 20001-4413

EXAMINER

O'CONNOR, GERALD J

ART UNIT PAPER NUMBER

3627

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GROUP 3600

**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Paper No. 20060331

Application Number: 09/473,649
Filing Date: December 28, 1999
Appellant(s): Mulderry et al.

Robert E. Converse, Jr.
(Reg. No. 27,432)
For Appellant

EXAMINER'S ANSWER

This examiner's answer has been prepared in response to appellant's brief on appeal filed
November 17, 2005.

(1) *Real Party in Interest*

A statement identifying by name the real party in interest is contained in the brief.

(Assignee of record, *Time Consumer Marketing, Inc.*)

(2) *Related Appeals and Interferences*

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief. (None.)

(3) *Status of Claims*

The statement of the status of claims contained in the brief is correct.

(Claims 1, 2, 4, 5, and 7-9 are pending, rejected, and appealed.)

(Claims 3, 6, and 10-31 have been cancelled.)

(4) *Status of Amendments After Final*

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(None.)

(5) *Summary of Claimed Subject Matter*

The summary of claimed subject matter contained in the brief is correct.

(6) *Grounds of Rejection to be Reviewed on Appeal*

The appellant's statement of the grounds of rejection to be reviewed on appeal contained in the brief is correct:

- I. Claims 1, 2, 4, 5, and 7-9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US 5,926,796), in view of Watanabe et al. (US 5,543,607).

(7) *Claims Appendix*

The copy of the appealed claims contained in the Appendix to the brief is correct, except for the brackets and comma at the end of line 14 of claim 1, which brackets and comma are not part of the claim as it currently stands, but which are apparently included to identify/address a typographical/clerical error that applicant noticed in preparing the brief.

(8) *Evidence Relied Upon*

The following is a listing of the evidence (e.g., patents, publications, official notice, and admitted prior art) relied upon in the rejection of claims under appeal:

| | | |
|-----------|-----------------|--------|
| 5,926,796 | Walker et al. | 7/1999 |
| 5,543,607 | Watanabe et al. | 8/1996 |

(9) *Grounds of Rejection*

I. Claims 1, 2, 4, 5, and 7-9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US 5,926,796), in view of Watanabe et al. (US 5,543,607).

Walker et al. disclose a method of completing a plurality of transactions on a computer network involving at least one customer computer and a plurality of merchant computers, said method comprising the following steps:

transmitting an offer (to buy a single issue of a magazine for a particular price) from a first merchant computer 122 to a customer 110 computer 120 (the computer provided to interface with the customer 110 and process the customer's 110 transactions);

transmitting customer-inputted information (name and method of payment) from the customer computer 120 to the first merchant computer 122 in response to the offer;

utilizing the customer-inputted information to process 1335 the offer, wherein said customer-inputted information contains a payment method (method of payment) and customer identification data (customer name) required by said first merchant to process said offer;

transmitting 1325 to said customer computer 120 a second offer from a second merchant computer 130 (an offer to buy a subscription to the magazine, it being considered inherent that the subscription offers are provided from the magazine publishers to the retailer to sell); and,

transmitting said customer-inputted information from said first merchant computer 122 to said second merchant computer 130, provided said customer computer 120 accepts said second offer;

processing said customer-inputted information by said second merchant computer 130;

causing merchandise to be delivered 1550 to a customer associated with said customer-inputted information (see, in particular, Figs. 14 and 15); and,

automatically debiting a customer account (it being inherent that the publisher maintains an account for each customer containing the number of remaining issues owed to the customer) corresponding to said customer-inputted information after said merchandise has been delivered (debiting the account of issues-owed by one issue after each additional issue is delivered), provided said customer does not cancel future delivery of said merchandise (see, in particular, column 12, lines 6-53),

but, the customer computer of Walker is operated by a store clerk rather than directly operated by the customer, the customer information being inputted by the customer to the store clerk who then actually keys in the data into the customer computer.

However, Watanabe et al. show a similar customer computer to the customer computer of Walker et al., except that the customer computer of Watanabe et al. is indeed operated directly by the customer, rather than by the store clerk.

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have modified the method of Walker et al. so as to have the customer computer operated directly by the customer rather than operated by a store clerk, in accordance with the teachings of Watanabe et al., in order to improve efficiency by employing fewer store clerks, thereby reducing operating costs and increasing profits.

Regarding claims 2, 4, 8, and 9, Walker et al. disclose that the step of transmitting an offer is further comprised of the following steps:

sending 370 an offer from said second merchant computer 130 to said first merchant computer 122;

storing 342 said offer on said first merchant computer 122 (see, in particular, Fig. 3); and, presenting said offer 1325 by said first merchant computer 122 to said customer computer 120 (see, in particular, Fig. 13).

Regarding claim 5, the merchandise of the method of Walker et al. is a predetermined number of issues of a periodical.

(10) Response to Argument

I. Claims 1, 2, 4, 5, and 7-9 are unpatentable under 35 U.S.C. 103(a) for being obvious over Walker et al. (US 5,926,796), in view of Watanabe et al. (US 5,543,607).

Regarding the argument that Walker et al. fail to expressly disclose the “step of automatically debiting a customer account for a purchase ... after the merchandise has been delivered,” express disclosure of features that are necessarily, thus inherently, present is not required, for it is well settled that a reference stands for all of the specific teachings thereof as well as the inferences one of ordinary skill in this art would have reasonably been expected to draw therefrom, see *In re Fritch*, 972 F.2d 1260, 1264-65, 23 USPQ2d 1780, 1782-83 (Fed. Cir. 1992); *In re Preda*, 401 F.2d 825, 826, 159 USPQ 342, 344 (CCPA 1968), presuming skill on the part of this person. *In re Sovish*, 769 F.2d 738, 743, 226 USPQ 771, 774 (Fed. Cir. 1985).

Regarding the argument that the customer account of Walker et al. is debited manually, rather than automatically because a clerk processes a credit card account transaction to pay for the customer's purchase, applicant is apparently trying to merely obfuscate the issue by arguing elements pertaining to payment for the purchase by means of a customer credit card account, though no "credit card account" is claimed, and even though the rejection clearly stated (§ 7 of the final rejection, mailed July 28, 2004) that the automatic debiting of a "customer account" was considered to be the automatic debiting of the account maintained for each customer by the publisher containing the number of remaining issues in the customer's subscription, stating, "...automatically debiting a customer account (it being inherent that the publisher maintains an account for each customer containing the number of remaining issues owed to the customer) corresponding to said customer-inputted information after said merchandise has been delivered (debiting the account of issues-owed by one issue after each additional issue is delivered), provided said customer does not cancel future delivery of said merchandise (see, in particular, column 12, lines 6-53)."

To the extent that applicant is arguing that the references fail to disclose the step of automatically/magically processing a credit card to effect payment for a purchase without any human intervention or interaction, it is noted that the features upon which applicant relies (i.e., "credit card account") are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Regarding the argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, Walker et al. and Watanabe et al. each disclose systems comprising check-out point-of-sale terminals. The check-out point-of-sale terminal of Walker et al. is operated by a store clerk, which was typical up until the advent of the self-service type of check-out point-of-sale terminal, which self-service type of check-out point-of-sale terminal is the type of check-out point-of-sale terminal disclosed by Watanabe et al. Thus, the *only* teaching of Watanabe et al. relied upon by the rejection is for the teaching of operating a check-out point-of-sale terminal directly by a customer, rather than by a store clerk. As for the motivation to make such a modification to a check-out point-of-sale terminal, clearly Watanabe et al. discloses the motivation to operate a check-out point-of-sale terminal by a customer instead of a store clerk, since that is the entire point of the Watanabe et al. invention/disclosure (i.e., the main, if not only, patentable distinction of the Watanabe et al. system over the prior art of the time).

Regarding the argument that there would have been no reasonable expectation of success in making the modification contemplated by the rejection, it is the finding of the examiner, as trier-of-fact, that it would have been within the ability of one of ordinary skill in the art, at the time of the

invention, to have modified the method of Walker et al. so as to have the customer computer operated directly by the customer rather than operated by a store clerk, in accordance with the teachings of Watanabe et al., in order to improve efficiency by employing fewer store clerks, thereby reducing operating costs and increasing profits, and that one of ordinary skill in the art performing such a modification would have a reasonable expectation of success, since so doing could have been performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results, and it is well settled that the main test for the tenability of any conclusion of obviousness with respect to any proposed or hypothetical combination or modification of prior art knowledge is whether or not such a combination or modification could have been performed or implemented by any person of ordinary skill in the art, at the time of the invention, with neither undue experimentation, nor risk of unexpected results. See *In re Merck & Co., Inc.*, 800 F.2d 1091, 1097, 231 USPQ 375, 379.

For all of the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,


 3/31/06


Gerald J. O'Connor
Primary Examiner
Group Art Unit 3627

GJOC

March 31, 2006

Appeal Conference Held:

Alex Kalinowski 
Supervisory Patent Examiner
Group Art Unit 3627

Sam Sough 
Supervisory Patent Examiner
Appeal Conference Specialist
Technology Center 3600

Application: 09/473,649

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Copy to Appellant:

Finnegan, Henderson, Farabow,
Garrett, & Dunner, L.L.P.
901 New York Avenue, NW
Washington, DC 20001-4413